

Cowichan Tribes
Consolidated Financial Statements
March 31, 2016

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Cowichan Tribes

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Management's Responsibility

To the Members of Cowichan Tribes:

The accompanying consolidated financial statements of Cowichan Tribes are the responsibility of management and have been approved by the Chief and Council.

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Cowichan Tribes Chief and Council are responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Chief and Council fulfil these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Chief and Council are also responsible for recommending the appointment of the Nation's external auditors.

MNP LLP, an independent firm of Chartered Professional Accountants, is appointed by the Members to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically with both the Chief and Council and management to discuss their audit findings.

July 26, 2016

original signed by Maureen Tommy

General Manager

original signed by Kim Dibb

Comptroller

Independent Auditors' Report

To the Members of Cowichan Tribes:

We have audited the accompanying consolidated financial statements of Cowichan Tribes, which comprise the consolidated statement of financial position as at March 31, 2016, and the consolidated statements of operations and accumulated surplus, change in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Cowichan Tribes as at March 31, 2016 and the results of its operations, change in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Duncan, British Columbia

July 26, 2016

MNP LLP

Chartered Professional Accountants

Cowichan Tribes
Consolidated Statement of Financial Position
As at March 31, 2016

	2016	2015
Financial assets		
Unrestricted cash	8,028,414	9,312,667
Accounts receivable (Note 3)	3,841,403	2,674,418
Restricted cash (Note 4)	1,065,046	1,100,337
Portfolio investments (Note 5)	5,281,473	5,786,303
Investment in Nation business enterprises and partnerships (Note 6)	4,085,042	5,289,666
Funds held in trust	1,370,327	1,352,778
	23,671,705	25,516,169
Liabilities		
Accounts payable and accruals (Note 7)	3,972,767	4,168,477
Due to related parties (Note 8)	713,407	560,280
Deferred revenue (Note 9)	535,259	810,583
Long-term debt (Note 10)	21,571,544	22,174,393
	26,792,977	27,713,733
Net debt	(3,121,272)	(2,197,564)
Contingencies (Note 12)		
Non-financial assets		
Tangible capital assets (Schedule 1)	43,265,604	40,805,012
Inventory	31,158	38,295
Prepaid expenses	317,069	300,154
	43,613,831	41,143,461
Accumulated surplus (Note 13)	40,492,559	38,945,897
Approved on behalf of the Council		
original signed by Cindy Daniels	Councillor	original signed by Albie J. Charlie
		Councillor

The accompanying notes are an integral part of these financial statements

Cowichan Tribes
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2016

	Schedules	2016 Budget (Note 17)	2016	2015
Revenue				
Indigenous and Northern Affairs Canada (Note 14)		16,920,668	22,781,451	23,290,543
First Nations Health Authority		4,939,381	5,284,424	4,744,521
Department of Fisheries and Oceans Canada		911,445	1,248,760	1,053,677
Canada Mortgage and Housing Corporation		65,329	415,647	434,815
Tobacco tax		2,996,832	2,970,929	2,996,832
Province of BC - other		2,847,830	2,892,013	3,055,758
Property tax		2,339,069	2,339,704	2,358,592
Rental, gravel and timber income		1,706,357	2,190,398	1,702,098
Community Improvement Fee		1,765,200	1,911,968	1,688,756
Other agencies		878,230	1,240,360	1,188,457
Other income		1,142,757	1,168,051	1,610,624
Province of BC - Forestry Agreement		64,383	772,600	864,800
Province of BC - Host Local Government		-	736,089	708,564
Coast Salish Employment and Training Society		572,691	627,961	644,940
Investment income		762,467	588,441	784,350
Quw'utsun Cultural and Conference Centre		-	308,212	392,224
Licence fees		592,000	306,459	915,674
Earnings (loss) from investment in Nation business enterprises and partnerships		-	(1,161,293)	1,454,090
		38,504,639	46,622,174	49,889,315
Program expenses				
Administration	3	3,405,450	4,047,666	3,953,231
Own Source Revenue	4	2,103,314	2,509,009	1,905,757
Child and Family Services	5	4,394,009	4,243,883	4,631,163
Education	6	8,683,801	12,346,492	12,352,122
Jobs and Training	7	529,759	552,736	450,700
Lands and Fisheries	8	2,790,233	2,706,181	2,557,136
Operations and Maintenance	9	1,528,424	2,216,011	2,096,863
Social Development	10	5,067,377	4,798,246	5,038,571
Social Development - NCBP	11	180,043	138,441	111,047
Housing	12	3,113,932	3,125,495	2,842,927
Youth	13	707,400	451,688	504,242
Treaty Negotiations	14	496,087	496,087	584,569
Health	15	5,934,071	5,380,755	5,345,421
Economic Development	16	269,112	942,817	1,017,331
Total expenditures (Schedule 2)		39,203,012	43,955,507	43,391,080
Annual surplus (deficit)		(698,373)	2,666,667	6,498,235
Accumulated surplus, beginning of year		38,945,898	38,945,898	33,531,421
Distribution to members		(1,200,000)	(1,120,006)	(1,083,758)
Accumulated surplus, end of year (Note 13)		36,847,525	40,492,559	38,945,898

The accompanying notes are an integral part of these financial statements

Cowichan Tribes
Consolidated Statement of Change in Net Debt
For the year ended March 31, 2016

	2016 Budget (Note 17)	2016	2015
Annual surplus	(861,873)	2,666,667	6,498,235
Purchases of tangible capital assets	-	(4,422,745)	(4,997,600)
Amortization of tangible capital assets	-	1,962,146	1,865,799
Change in inventory	-	7,140	9,958
Change in prepaid expenses	-	(16,910)	19,372
Distribution to members	(1,200,000)	(1,120,006)	(1,083,758)
Decrease (increase) in net debt	(2,061,873)	(923,708)	2,312,006
Net debt, beginning of year	(2,197,564)	(2,197,564)	(4,509,570)
Net debt, end of year	(4,259,437)	(3,121,272)	(2,197,564)

The accompanying notes are an integral part of these financial statements

Cowichan Tribes
Consolidated Statement of Cash Flows
For the year ended March 31, 2016

	2016	2015
Cash provided by (used for) the following activities		
Operating activities		
Annual surplus	2,666,667	6,498,235
Non-cash items		
Amortization	1,962,146	1,865,799
Earnings (loss) from investment in Nation business enterprises and partnerships	1,161,293	(1,454,090)
	5,790,106	6,909,944
Changes in working capital accounts		
Accounts receivable	(1,166,985)	718,127
Inventory	7,137	9,958
Prepaid expenses	(16,915)	19,372
Accounts payable and accruals	(195,710)	933,650
Deferred revenue	(275,324)	531,702
	4,142,309	9,122,753
Financing activities		
Advances of long-term debt	458,641	9,972,000
Repayments of long-term debt	(1,061,490)	(8,937,073)
Distribution to members	(1,120,006)	(1,083,758)
	(1,722,855)	(48,831)
Capital activities		
Purchases of tangible capital assets	(4,422,745)	(4,997,600)
Investing activities		
Change in due to related parties	153,127	46,916
Investments in Nation business enterprises and partnerships	43,339	(247,173)
Change in funds held in trust	(17,549)	116,864
Change in restricted cash	35,291	(11,478)
Change in portfolio investments	504,830	304,560
Deposit to First Nations Finance Authority debt reserve fund	-	(503,053)
	719,038	(293,364)
Increase (decrease) in unrestricted cash	(1,284,253)	3,782,958
Unrestricted cash, beginning of year	9,312,667	5,529,709
Unrestricted cash, end of year	8,028,414	9,312,667
Supplementary cash flow information		
Interest paid	19,450	26,270

The accompanying notes are an integral part of these financial statements

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

1. Operations

Cowichan Tribes (the "Nation") is located in the province of British Columbia, and provides various services to its members. Cowichan Tribes includes the Nation's members, government and all related entities that are accountable to the Nation and are either owned or controlled by the Nation.

2. Significant accounting policies

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and include the following significant accounting policies:

Basis of presentation

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Net debt

The Nation's consolidated financial statements are presented so as to highlight net debt as the measurement of consolidated financial position. The net debt of the Nation is determined by its financial assets less its liabilities. Net debt is comprised of two components, non-financial assets and accumulated surplus.

Segments

The Nation conducts its business through a number of reportable segments as described in Note 19. These operating segments are established by senior management to facilitate the achievement of the Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements.

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Funds held in trust

Funds held in trust on behalf of Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the statement of financial position. Trust moneys consist of:

- Capital trust moneys derived from non-renewable resource transactions on the sale of land or other Nation tangible capital assets; and
- Revenue trust moneys generated primarily through land leasing transactions or interest earned on deposits held in trust.

2. Significant accounting policies *(Continued from previous page)*

Reporting entity

The financial statements consolidate the financial activities of all entities and departments comprising the Nation reporting entity, except for Nation business entities. Trusts administered on behalf of third parties by Cowichan Tribes are excluded from the Nation reporting entity.

The Nation has consolidated the assets, liabilities, revenue and expenses of the following entities and departments:

- Administration
 - 0787308 B.C. Ltd., March 31st year-end - holds off-reserve land and building that is rented to tenants
- Economic development
 - Khowutzun Heritage Centre Ltd., March 31st year-end - operates the Quw'utsun Cultural & Conference Centre
- Lands and fisheries
 - 0944623 BC Ltd., March 31st year-end - carries on the gravel extraction on the reserve land
 - 0942071 BC Ltd., March 31st year-end - carries on the dike construction projects with the local municipalities in Cowichan Valley
 - Kw'atl'kwa Fisheries Society, March 31st year-end - holds PICFI licence
 - Kw'atl'kwa Fisheries Enterprises Ltd., March 31st year-end - conducts fishing within PICFI licence
 - 0990409 BC Ltd., March 31st year-end - conducts negotiation for the purchase of real property
 - 0626875 BC Ltd., March 31st year-end - holds off-reserve land at Koksilah
- Housing
- Operations and maintenance
- Child and family services
- Health
- Education
- Social development
- Capital infrastructure

All inter-entity balances have been eliminated on consolidation.

Cowichan Tribes business enterprises and partnerships, owned or controlled by the Nation's Chief and Council but not dependent on the Nation for their continuing operations, are included in the consolidated financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the Nation. Thus, the Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. Entities accounted for by the modified equity basis include:

- Cowichan Mini Mall Ltd. - operates the Village Green Mall
- Khowutzun Gaming Corp. - owns the gaming centre building and is a 50% venturer in the operations of Chances Cowichan
- Khowutzun Development Corp. - administers economic development activities
- Khowutzun Forest Services Ltd. - administers contract silviculture services
- Khowutzun Forest Services Limited Partnership - performs contract silviculture services
- Mustimuhw Information Solutions Inc. - licences electronic health records software to aboriginal health centres

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

2. Significant accounting policies *(Continued from previous page)*

Tangible capital assets

Tangible capital assets are initially recorded at cost. Contributed tangible assets are recorded at their fair value at the date of contribution.

All intangible assets and items inherited by the rights of the Nation, such as reserve land, forests, water and mineral resources are not recognized in the Nation's consolidated financial statements.

Tangible capital assets are amortized over their expected useful life using the straight-line method at the following rates:

Buildings and houses	40 years
Vehicles and boats	10 years
Furniture and equipment	10 years
School	40 years
Water infrastructure	40 years
Sewer infrastructure	40 years
Roads infrastructure	40 years
Dykes infrastructure	40 years
Street lights infrastructure	40 years

Investments

Long-term investments in entities that are not owned, controlled, or influenced by the Nation reporting entity are accounted for using the cost method. They are recorded at cost, less any provision for other than temporary impairment.

Long-term investments in entities that are controlled by the Nation are accounted for using the modified equity method.

Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets, inventory and prepaids expenses.

Long-lived assets

Long-lived assets consist of tangible capital assets, and intangible assets with finite useful lives. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. Impairment losses are recognized when an asset's service potential is reduced. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Any impairment is included in surplus for the year. Prices for similar items are used to measure fair value of long-lived assets.

The Nation does not perform impairment testing on its long-lived assets that are held for public administration and situated on its reserve land as it is not possible to determine their fair market value.

2. Significant accounting policies *(Continued from previous page)*

Measurement uncertainty

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets. Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites for which the First Nation is responsible. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in surplus in the periods in which they become known.

Liability for contaminated site

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2016.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made. As at March 31, 2016, no liability for contaminated site exists.

2. Significant accounting policies *(Continued from previous page)*

Revenue recognition

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

- i) **Indigenous and Northern Affairs Canada ("INAC")**
Under the terms of the "Comprehensive Funding Arrangement", the funding is based on an annual budget which is agreed to by the parties and consists of flexible transfer payments and contribution payments. In the case of the flexible transfer payments, the First Nation is permitted to use the surpluses at its own discretion provided the terms and conditions of the agreement are met but must take responsibility for any deficits. In the case of contribution payments, any surpluses must be returned to INAC and deficits are recoverable.
- ii) **First Nation Capital and Revenue Trust Funds**
The First Nation recognizes revenues of the Capital and Revenue trusts when earned.
- iii) **Canada Mortgage and Housing Corporation ("CMHC")**
CMHC revenue is recognized as it become receivable under the terms of the applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period are reflected as deferred revenue on the statement of financial position in the year of receipt.
- iv) **Rental income**
Rental income is recorded in the year it is earned. At the end of each year, management evaluates whether rent revenue is collectible and records a bad debt expense and allowance for doubtful accounts for those amounts designated as unlikely to be collected.
- v) **Department of Fisheries and Oceans ("DFO")**
Certain funding arrangements with DFO can result in surpluses being repaid or deficits being funded depending upon the year-end position of the program.
- vi) **First Nation Health Authority ("FNHA")**
FNHA revenue is recognized as it becomes receivable under the terms of the funding agreements.
- vii) **Revenue from own sources**
Revenue from own sources, such as Community Improvement Fee, tobacco tax and property tax, is recognized when the service is provided or the amount is earned and when the amount can be estimated and when collection is reasonably assured.

2. Significant accounting policies *(Continued from previous page)*

Recent accounting pronouncements

PS 2200 Related Party Disclosures

In March 2015, as part of the CPA Canada Public Sector Accounting Handbook Revisions Release No. 42, the Public Sector Accounting Board ("PSAB") issued a new standard, PS 2200 Related Party Disclosures.

This new Section defines related party and established disclosures required for related party transactions. Disclosure of information about related party transactions and the relationship underlying them is required when they have occurred at a value different from that which would have been arrived at if the parties were unrelated, and they have, or could have, a material financial effect on the consolidated financial statements.

This section is effective for fiscal years beginning on or after April 1, 2017. Early adoption is permitted. The Nation does not expect the application of the new Standard to have a material effect on the consolidated financial statements.

PS 3210 Assets

In June 2015, new PS 3210 Assets was included in the CPA Canada Public Sector Accounting Handbook ("PSA HB"). The new Section provides guidance for applying the definition of assets set out in PS 1000 Financial Statement Concepts. The main features of this standard are as follows:

Assets are defined as economic resources controlled by a government as a result of past transactions or events and from which future economic benefits are expected to be obtained. Economic resources can arise from such events as agreements, contracts, other government's legislation, the government's own legislation, and voluntary contributions. The public is often the beneficiary of goods and services provided by a public sector entity. Such assets benefit public sector entities as they assist in achieving the entity's primary objective of providing public goods and services. A public sector entity's ability to regulate an economic resource does not, in and of itself, constitute control of an asset, if the interest extends only to the regulatory use of the economic resource and does not include the ability to control access to future economic benefits. A public sector entity acting as a trustee on behalf of beneficiaries specified in an agreement or statute is merely administering the assets, and does not control the assets, as future economic benefits flow to the beneficiaries. An economic resource may meet the definition of an asset, but would not be recognized if there is no appropriate basis for measurement and a reasonable estimate cannot be made, or if another Handbook Section prohibits its recognition. Information about assets not recognized should be disclosed in the notes.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The Nation does not expect application of the new Standard to have a material effect on the consolidated financial statements.

PS 3320 Contingent Assets

In June 2015, new PS 3320 Contingent Assets was included in the CPA Canada Public Sector Accounting Handbook ("PSA HB"). The new Section establishes disclosure standards on contingent assets. The main features of this Standard are as follows:

Contingent assets are possible assets arising from existing conditions or situations involving uncertainty. That uncertainty will ultimately be resolved when one or more future events not wholly within the public sector entity's control occurs or fails to occur. Resolution of the uncertainty will confirm the existence or non-existence of an asset. Passing legislation that has retroactive application after the financial statement date cannot create an existing condition or situation at the financial statement date. Elected or public sector entity officials announcing public sector entity intentions after the financial statement date cannot create an existing condition or situation at the financial statement date. Disclosures should include existence, nature, and extent of contingent assets, as well as the reasons for any non-disclosure of extent, and the bases for any estimates of extent made. When a reasonable estimate can be made, disclosure should include a best estimate and a range of possible amounts (or a narrower range of more likely amounts), unless such a disclosure would have an adverse impact on the outcome.

2. Significant accounting policies *(Continued from previous page)*

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The Nation does not expect application of the new Standard to have a material effect on the consolidated financial statements.

PS 3380 Contractual Rights

In June 2015, new PS 3380 Contractual Rights was included in the CPA Canada Public Sector Accounting Handbook ("PSA HB"). This new Section establishes disclosure standards on contractual rights, and does not include contractual rights to exchange assets where revenue does not arise. The main features of this Standard are as follows:

Contractual rights are rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future. Until a transaction or event occurs under a contract or agreement, an entity only has a contractual right to an economic resource. Once the entity has received an asset, it no longer has a contractual right. Contractual rights are distinct from contingent assets as there is no uncertainty related to the existence of the contractual right. Disclosures should include descriptions about nature, extent, and timing.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The Nation does not expect application of the new Standard to have a material effect on the consolidated financial statements.

PS 3430 Restructuring Transactions

In June 2015, new PS 3430 Restructuring Transactions was included in the CPA Canada Public Sector Accounting Handbook ("PSA HB"). The new Section establishes disclosure standards on contingent assets. The main features of this Standard are as follows:

A restructuring transaction is defined separately from an acquisition. The key distinction between the two is the absence of an exchange of consideration in a restructuring transaction.

A restructuring transaction is defined as a transfer of an integrated set of assets and/or liabilities, together with related program or operating responsibilities that does not involve an exchange of consideration.

Individual assets and liabilities transferred in a restructuring transaction are derecognized by the transferor at their carrying amount and recognized by the recipient at their carrying amount with applicable adjustments.

The increase in net assets or net liabilities resulting from recognition and derecognition of individual assets and liabilities received from all transferors, and transferred to all recipients in a restructuring transaction, is recognized as revenue or as an expense.

Restructuring-related costs are recognized as expenses when incurred.

Individual assets and liabilities received in a restructuring transaction are initially classified based on the accounting policies and circumstances of the recipient at the restructuring date.

The financial position and results of operations prior to the restructuring date are not restated.

Disclosure of information about the transferred assets, liabilities and related operations prior to the restructuring date by the recipient is encouraged but not required.

The Section is effective for new restructuring transactions that occur in fiscal periods beginning on or after April 1, 2018. Earlier application is encouraged. The Nation does not expect application of the new Standard to have a material effect on the consolidated financial statements.

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

3. Accounts receivable

	2016	2015
Federal government and agencies	1,076,312	402,922
Indigenous and Northern Affairs Canada	1,035,536	133,586
Department of Fisheries and Oceans Canada	925,163	649,696
Province of B.C.	520,774	563,202
First Nation organizations	130,518	759,475
Other	95,998	156,835
School District #79 and Vancouver Island University	57,102	8,702
	3,841,403	2,674,418

4. Restricted cash

Under the terms of the agreement with CMHC, the replacement reserve account is to be credited in the amount of \$95,343 (2015 - \$113,083) annually. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. The funds in the account may only be used as approved by CMHC. At year end, these reserves were adequately funded (2015 - adequately funded).

Under the terms of the agreement with CMHC, excess revenues over expenditures for the Post 1996 phases may be retained in an operating reserve. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. At year end, the operating reserve was adequately funded (2015 - adequately funded).

Cowichan Tribes issued a debt instrument through the First Nation Finance Authority ("FNFA"). As a condition of this borrowing, a portion of the debenture proceeds are withheld by the FNFA as a debt reserve fund. The deposit at March 31, 2016 is \$507,805 (2015 - \$503,053).

	2016	2015
Replacement and subsidy reserves	557,241	597,284
FNFA debt reserve	507,805	503,053
	1,065,046	1,100,337

5. Portfolio investments

	2016	2015
Mt. Hayes Storage Limited Partnership - 7,500 partnership units	5,063,753	5,457,753
Loan to Chances Cowichan, bearing interest at 7% and repayable in monthly installments of \$9,877, due October 2016. No security over the loan.	68,133	179,392
First Uwhunshun Investments Ltd. - 10,000 shares (represents a 10% ownership interest) and non-interest bearing advances with no terms of repayment. No security over the advance.	140,321	149,158
All Nations Trust Company - 810 Class "A" shares	9,266	-
	5,281,473	5,786,303

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

6. Investment in Nation business enterprises and partnerships

The First Nation has investments in the following entities:

				2016
	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Cumulative share of earnings (loss)</i>	<i>Total investment</i>
Business enterprises – Modified Equity:				
Cowichan Mini Mall Ltd.	55	84,091	(1,031,066)	(946,920)
Khowutzun Gaming Corp.	100	2,717,408	592	2,718,100
Khowutzun Development Corp.	2	346,545	(462,983)	(116,436)
Khowutzun Forest Services Ltd.	100	-	(8,924)	(8,824)
Mustimuhw Information Solutions Inc.	100	756,862	(40,738)	716,224
	357	3,904,906	(1,543,119)	2,362,144
Business Partnerships – Modified Equity:				
Khowutzun Forest Services LP	4,700	-	1,718,198	1,722,898
	5,057	3,904,906	175,079	4,085,042

Cowichan Tribes has a general security agreement over all loans/advances with each entity.

Cowichan Mini Mall Ltd. long-term debt consists of a mortgage repayable in monthly instalments of \$22,570, including interest at 4.5%, due July 1, 2018.

Khowutzun Gaming Corp. long-term debt consists of a mortgage repayable in monthly instalments of \$33,975, including interest at 4.98%, due on April 30, 2017.

Mustimuhw Information Solutions Inc. long-term debt consists of a demand note payable to the Nation, bearing interest at prime plus 1% with monthly payments of interest only with principal.

Summary financial information for each First Nation business enterprise and partnership, accounted for using the modified equity method, for their respective year-end is as follows:

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

6. Investment in Nation business enterprises and partnerships *(Continued from previous page)*

	<i>Cowichan Mini Mall Ltd. As at March 31, 2016</i>	<i>Khowutzun Gaming Corp. As at March 31, 2016</i>	<i>Khowutzun Development Corp. As at March 31, 2016</i>	<i>Khowutzun Forest Services Ltd. As at March 31, 2016</i>
Assets				
Cash	91,406	-	319,118	697
Accounts receivable	34,038	104,302	128,595	367
Inventory and prepaid expenses	564,293	-	-	-
Investments	-	661,378	-	225
Capital assets	872,115	5,431,222	13,917	-
Intangible assets	-	-	-	-
Total assets	1,561,852	6,196,902	461,630	1,289
Accounts payable and accruals	77,786	11,411	72,453	3,680
Deferred revenue	41,230	-	-	-
Loans and advances	-	69,408	505,613	6,433
Long-term debt	3,321,501	3,467,391	-	-
Total liabilities	3,440,517	3,548,210	578,066	10,113
	(1,878,665)	2,648,692	(116,436)	(8,824)
Total revenue	730,074	848,926	581,422	6,433
Total expenses	1,841,644	513,160	612,477	6,433
	(1,111,570)	335,766	(31,055)	-

	<i>Mustimuhw Information Solutions Inc. As at March 31, 2016</i>	<i>Khowutzun Forest Services LP As at March 31, 2016</i>
Assets		
Cash	301,930	409,233
Accounts receivable	781,208	1,203,437
Inventory and prepaid expenses	35,436	37,376
Investments	-	-
Capital assets	12,353	186,185
Intangible assets	176,057	-
Total assets	1,306,984	1,836,231
Accounts payable and accruals	156,286	113,108
Deferred revenue	367,212	-
Loans and advances	68,548	-
Long-term debt	550,000	-
Total liabilities	1,142,046	113,108
	164,938	1,723,123
Total revenue	998,265	990,479
Total expenses	1,209,540	1,667,066
	(211,275)	(676,587)

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

7. Accounts payable and accruals

	2016	2015
Other accrued liabilities	2,224,327	448,150
Trade payable	1,653,613	3,625,567
Receiver General	94,827	94,760
	3,972,767	4,168,477

8. Due to related parties

During the year, loans were received by Khowutzun Heritage Centre Ltd. in the amount of \$128,595 (2015 - \$144,177) from Khowutzun Development Corp., a wholly-owned business, and \$584,812 (2015 - \$416,103) from Khowutzun Forest Services Limited Partnership, a controlled Nation business partnership. The amounts bear no interest and have no fixed terms of repayment. A General Security Agreement is provided by the Nation against all loans held by the related parties.

9. Deferred revenue

	2016	2015
INAC funds (see below)	529,664	553,075
Island Health	5,595	47,007
Lease revenue	-	37,313
Other	-	173,188
	535,259	810,583
INAC funds:		
Opening balance of unspent funds	553,075	203,505
Amounts received during the year	1,845,688	2,950,006
Amounts spent on projects and recorded as revenue	(1,869,099)	(2,600,436)
	529,664	553,075

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

10. Long-term debt

	2016	2015
Non-social housing		
First Nations Finance Authority Loan, repayable in monthly instalments of \$46,312 including interest at 3.79%, secured by Tribes council resolution, Tobacco Tax, Community Improvement Fee and Host Local Government revenues, due June 2024	9,655,513	9,838,649
RBC loan with the interest rate fixed at 2.4%, through an interest rate swap, due January 2017 (Mt. Hayes Storage LP); general security agreement constituting a first ranking interest to the Mt. Hayes Storage LP units and a second ranking interest over all other personal property of the Nation	4,872,000	5,098,000
Total non-social housing	14,527,513	14,936,649
CMHC	-	7,922
CMHC, repayable in monthly installments of \$2,259 including interest at 3.015%, due October 2016	15,653	41,841
All Nations Trust	-	22,561
All Nations Trust, repayable in monthly installments of \$2,420 including interest at 1.53%, due December 2017; secured with Ministerial Guarantee from INAC	312,284	336,357
All Nations Trust, repayable in monthly installments of \$9,790 including interest at 2.35%, due September 2018; secured with Ministerial Guarantee from INAC	284,987	394,386
All Nations Trust, repayable in monthly installments of \$2,785 including interest at 1.82%, due September 2019; secured with Ministerial Guarantee from INAC	260,728	289,134
All Nations Trust, repayable in monthly installments of \$2,804 including interest at 1.11%, due April 2021; secured with Ministerial Guarantee from INAC	320,698	348,083
All Nations Trust, repayable in monthly installments of \$10,020 including interest at 2.04%, due March 2019; secured with Ministerial Guarantee from INAC	1,797,725	1,880,447
All Nations Trust, repayable in monthly installments of \$9,110 including interest at 2.04%, due August 2020; secured with Ministerial Guarantee from INAC	1,907,108	1,989,290
All Nations Trust, repayable in monthly installments of \$2,533 including interest at 1.67%, due June 2018; secured with Ministerial Guarantee from INAC	564,802	585,582
All Nations Trust, repayable in monthly installments of \$4,152 including interest at 2.35%, due September 2018; secured with Ministerial Guarantee from INAC	871,146	900,184
All Nations Trust, repayable in monthly installments of \$1,971 including interest at 2.11%, due January 2019; secured with Ministerial Guarantee from INAC	427,472	441,957

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

10. Long-term debt *(Continued from previous page)*

All Nations Trust, construction mortgage advance	281,428	-
Total social housing	7,044,031	7,237,744
Total long-term debt	21,571,544	22,174,393

Principal repayments on long-term debt in each of the next five years, assuming long-term debt subject to refinancing is renewed, are estimated as follows:

2017	841,213
2018	835,301
2019	786,190
2020	735,334
2021	742,943

RBC Loan:

The notional amount of the interest rate swap is \$5,716,000 with a five year swap term, maturing on January 18, 2017 at which time the swap can be renewed at market rates and terms based upon the one month bankers' acceptance rate. The fixed interest rate of 2.4% is comprised of a swap rate of 1.65% and a stamping fee of 0.75%.

The loan is secured by an assignment of a put option in respect of the Mount Hayes Storage Limited Partnership units. The book value of the secured asset is \$5,063,753 (2015 - \$5,457,753). In addition, the loan is subject to certain covenants with respect to maintaining a debt service coverage ratio of 1.1:1 and providing review engagement financial statements. As at March 31, 2016 Cowichan Tribes was in compliance with the covenants and expects to be in compliance for the next fiscal year.

An interest rate swap is a financial contract between two parties who agree to exchange fixed rate interest payments for floating rate payments on a predetermined notional amount and term. Cowichan Tribes has entered into a swap agreement with RBC to manage the interest rate exposure associated with its loan. The carrying amount of the RBC loan approximates its fair value based on minimal change in the bankers acceptance rate between issuance and March 31, 2016.

11. INAC loans

INAC provided Cowichan Tribes with \$231,120 of interim loans secured by promissory notes to assist with the costs of proving its Brennan and Thiek land claims. The promissory notes are interest-free and were due on March 31, 2015. Cowichan Tribes has accrued INAC revenue equal to the amounts of these loans as it understands that the claims settlements will result in a transfer of land and/or cash in excess of the loan amounts. The accrued revenue and loan amounts have been reported on a net basis. As of March 31, 2016 \$11,596 of the loans have not been spent and is reported in equity as no claim has been made for repayment.

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

12. Contingencies

- a) Cowichan Tribes has guaranteed various member loans, amounting to \$506,251 for on-reserve housing.
- b) Cowichan Tribes is a member of Hul'qumi'num Treaty Group, incorporated under the Society Act, and indirectly responsible for its net debt. The Hul'qumi'num Treaty Group has entered into Negotiations Support Agreements on behalf of its members and carried out treaty negotiations with Canada and British Columbia. Under the terms of the agreements, Hul'qumi'num Treaty Group is indebted to Canada. As at March 31, 2016 the indebtedness is \$33,182,748. If Cowichan Tribes is liable under the Negotiation Support Agreement, the amount is subject to redetermination and consequently indeterminable; and accordingly excluded from these consolidated financial statements. Subject to any treaty or further extension, the indebtedness to Canada is due February 2017.
- c) Cowichan Tribes is a defendant in several lawsuits and is involved in various actions related to land leases, environmental damages, third party liability, garnishment, indemnification, compensatory damages and contract breach. Management cannot determine whether any claims will be successful and cannot estimate the potential loss, if any.
- d) Cowichan Tribes has guaranteed the mortgage of Khowutzun Gaming Corporation. The balance of the mortgage at March 31, 2016 is \$3,467,391.
- e) Cowichan Tribes has commenced litigation against the Cowichan Valley Regional District ("CVRD") to recover costs associated with remediating the reserve from contamination. A Statement of Defence has been filed by the CVRD. In addition, a separate claim has been filed against the CVRD and the Government of Canada for contamination of the reserve. This second claim was served on the parties and the Nation is engaged in settlement negotiations with the CVRD to settle both claims.

13. Accumulated surplus

The Nation uses fund accounting procedures that result in a self-balancing set of accounts for each fund established by legal, contractual or voluntary actions. The funds have been amalgamated for the purpose of presentation in the consolidated financial statements.

Cowichan Tribes maintains the following funds:

- Ottawa Trust Funds reports on trust moneys owned by the Nation but administered by the federal government.
- Tangible capital assets reports on the capital assets of the Nation, with any related capital financing.
- Operating fund reports on the general activities of the Nation administration.
- Nation business enterprises reports on the Nation's investments in self-sustaining business ventures.

Accumulated surplus consists of the following:

	2016	2015
Equity in Ottawa Trust Funds	1,370,327	1,352,778
Equity in tangible capital assets	26,036,396	23,009,655
Unrestricted surplus	9,000,794	10,040,617
Nation business enterprises surplus	4,085,042	4,542,846
	40,492,559	38,945,896

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

14. INAC funding reconciliation

	2016	2015
Funding provided by INAC	22,935,791	24,102,709
Less: INAC recoveries during the year	(177,750)	(298,519)
	22,758,041	23,804,190
Add: Deferred amount from prior year		
Wilson Road Water	220,379	39,428
Street lighting	10,907	-
Boys Road sewer	33,791	-
Three system water study	109,002	-
Trestle Road sewer	104,121	-
Tyup Road low pressure sewer	74,875	-
	553,075	39,428
Less: Amounts deferred to subsequent year		
Wilson Road (8580) (CPMS 3404)	-	(220,379)
Street lighting (CPMS 11535)	-	(10,907)
Boys Road sewer (CPMS 4506)	-	(33,791)
Three system water study (CPMS 10727)	(201,604)	(109,002)
Trestle Road sewer (CPMS 11429)	(111,768)	(104,121)
Tyup Road low pressure sewer (CPMS 11558)	(215,842)	(74,875)
Housing subsidies (CPMS 11683)	(450)	-
	(529,664)	(553,075)
	22,781,452	23,290,543

15. Economic dependence

Cowichan Tribes receives a significant portion of its revenue from INAC as a result of funding agreements entered into with the Government of Canada. These funding agreements are administered by INAC under the terms and conditions of the Indian Act. The ability of the Nation to continue operations is dependent upon the Government of Canada's continued financial commitments.

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

16. Financial Instruments

Credit Concentration

Financial instruments that potentially subject Cowichan Tribes to concentrations of credit risk consist of accounts receivable. The maximum credit risk exposure is \$3,841,403 (2015 – \$2,674,418). However, Cowichan Tribes believes that there is minimal risk associated with the collection of these amounts, as the majority of these receivables are from government agencies.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. In seeking to minimize the risks from interest rate fluctuations, Cowichan Tribes manages exposure through long-term debt with varying interest rates and maturities and from purchasing interest rate swaps to fix interest rates.

Cowichan Tribes is exposed to interest rate risk with respect to bank indebtedness and long-term debt. Cowichan Tribes' long-term debt is subject to floating interest rates ranging from bank prime plus 0.5% - 1.5% and fixed interest rates ranging from 1.11 - 3.79%.

17. Budget information

Budget figures represent the budget adopted by Cowichan Tribes on March 24, 2015. The adopted budget included capital expenditures rather than amortization expense, the use of loans proceeds, transfers, Ottawa Trust funds, and mortgage principal repayments as an expense.

The following reconciliation of the annual surplus is provided to show which items must be added or removed to reflect the adopted budget.

Adopted budget deficit	\$ (3,160,271)
Capital acquisitions	1,365,701
Debt repayments	573,500
Member distribution	1,200,000
Loan proceeds	(450,000)
Transfers to Nation businesses and other adjustments	(427,303)
Budgeted deficit per PSAB	<u>\$ (698,373)</u>

18. Comparative figures

Prior years figures have been restated to conform with the current presentation.

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

19. Segments

Cowichan Tribes receives revenue from many different projects and sources. For management and reporting purposes, the revenue, expenses and surplus or deficits are organized by the following segments:

Administration:

This segment includes general operations, support, and financial management of Cowichan Tribes.

Own Source Revenue:

This segment report revenue generated from taxation, resources and fees for service and their related expenditures.

Child and Family Services:

This segment includes child care, foster care and other family services of Cowichan Tribes.

Education:

This segment includes revenue and expenses relating to the primary, secondary and post secondary education of the members of Cowichan Tribes.

Jobs and Training:

This segment reports the Coast Salish Employment and Training Society funding and related expenditures.

Lands and Fisheries:

This segment includes revenue and expenses from projects dealing with the management of land and the Department of Fisheries and Oceans Canada.

Operations and Maintenance:

This segment includes operations and maintenance of Cowichan Tribes buildings and infrastructure.

Social Development:

This segment includes revenue and expenses relating to the social assistance of members of Cowichan Tribes.

Social Development - National Child Benefit Reinvestment:

This segment includes revenue and expenses relating to the social assistance of members of Cowichan Tribes that qualify for the National Child Benefit Reinvestment program.

Housing:

This segment includes activities related to the provision of housing within Cowichan Tribes.

Youth:

This segment includes North American Indigenous Games legacy funds and other revenue specified for youth programs.

Treaty Negotiations:

This segment reports the allocation for Hul'qumi'num Treaty Group funds for negotiation work in the community.

Health:

This segment includes activities related to the provision of health services within Cowichan Tribes.

Economic Development:

This segment includes activities related to the growth of revenue producing projects within Cowichan Tribes.

Cowichan Tribes
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2016

	Land	Buildings and houses	Vehicles & Boats	Furniture & equipment	Water	Sewer	Subtotal
Cost							
Balance, beginning of year	5,217,093	47,161,594	2,110,178	5,274,651	1,147,544	3,088,700	63,999,760
Acquisition of tangible capital assets	-	956,957	560,541	51,631	314,995	1,828,717	3,712,841
Balance, end of year	5,217,093	48,118,551	2,670,719	5,326,282	1,462,539	4,917,417	67,712,601
Accumulated amortization							
Balance, beginning of year	-	19,207,324	1,438,440	4,749,496	673,804	270,745	26,339,809
Annual amortization	-	1,191,965	190,341	132,114	36,563	122,935	1,673,918
Balance, end of year	-	20,399,289	1,628,781	4,881,610	710,367	393,680	28,013,727
Net book value of tangible capital assets	5,217,093	27,719,262	1,041,938	444,672	752,172	4,523,737	39,698,874
2015 Net book value of tangible capital assets	5,217,093	27,954,271	671,738	668,794	473,740	2,817,955	37,803,591

Cowichan Tribes
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2016

	Subtotal	Roads	Dikes	Street Lights	Lift stations	2016	2015
Cost							
Balance, beginning of year	63,999,760	4,307,373	5,745,505	64,935	701,425	74,818,998	69,821,398
Acquisition of tangible capital assets	3,712,841	150,923	558,976	-	-	4,422,740	4,997,601
Balance, end of year	67,712,601	4,458,296	6,304,481	64,935	701,425	79,241,738	74,818,999
Accumulated amortization							
Balance, beginning of year	26,339,809	2,906,960	4,383,112	17,853	366,254	34,013,988	32,148,188
Annual amortization	1,673,918	111,457	157,612	1,623	17,536	1,962,146	1,865,799
Balance, end of year	28,013,727	3,018,417	4,540,724	19,476	383,790	35,976,134	34,013,987
Net book value of tangible capital assets	39,698,874	1,439,879	1,763,757	45,459	317,635	43,265,604	40,805,012
2015 Net book value of tangible capital assets	37,803,591	1,400,413	1,218,755	47,082	335,171	40,805,012	

Cowichan Tribes
Schedule 2 - Schedule of Consolidated Expenses by Object
For the year ended March 31, 2016

	2016 Budget (Note 17)	2016	2015
Consolidated expenses by object			
Amortization	-	1,962,146	1,865,799
Automotive	250,882	236,371	219,404
Bank charges and interest	15,136	19,450	26,270
Community development	1,348,920	1,044,565	954,254
Consulting	1,022,149	1,004,875	911,729
Contracted services	2,009,115	2,490,969	2,557,909
Furniture and equipment	361,158	377,914	306,277
Honouraria	565,860	497,180	483,038
Insurance	413,594	471,671	537,945
Interest on long-term debt	337,537	633,755	795,094
Licenses and fees	95,082	114,120	86,840
Meeting	116,420	64,112	87,571
Office	404,943	358,842	354,779
Professional fees	1,285,813	1,590,676	1,363,445
Rent and lease	131,551	428,676	144,844
Repairs and maintenance	1,802,583	1,645,736	1,656,693
Salaries and benefits	16,271,812	15,658,140	15,409,533
Social assistance	4,840,676	5,429,769	5,675,366
Supplies	1,150,382	1,324,498	1,278,045
Telephone and fax	156,940	163,901	155,244
Training	482,199	380,930	381,521
Transfers to Nation business enterprises and partnerships	269,112	416,112	449,531
Travel	375,183	369,351	350,563
Tuition and student expenses	5,215,819	6,985,097	7,064,522
Utilities	280,146	286,646	274,864
	39,203,012	43,955,502	43,391,080

Cowichan Tribes
Administration

Schedule 3 - Consolidated Schedule of Revenue and Expenses

For the year ended March 31, 2016

	2016 Budget (Note 17)	2016	2015
Revenue			
Indigenous and Northern Affairs Canada	1,148,701	1,238,403	1,218,896
Coast Salish Employment and Training Society	-	-	20,000
Investment income	50,000	114,633	113,669
Other income	28,649	108,855	323,400
	1,227,350	1,461,891	1,675,965
Expenses			
Amortization	-	71,645	-
Bank charges and interest	15,000	3,906	10,492
Community development	47,050	39,842	33,983
Consulting	239,440	263,704	280,155
Contracted services	48,150	148,102	70,485
Furniture and equipment	81,286	102,069	47,325
Honouraria	24,601	12,172	24,184
Insurance	9,700	10,109	16,031
Interest on long-term debt	-	377,939	292,914
Licenses and fees	37,810	54,093	47,230
Meeting	8,036	14,418	8,049
Office	81,128	59,567	86,418
Professional fees	238,661	171,246	425,888
Rent and lease	15,539	18,608	1,178
Repairs and maintenance	8,002	9,566	58,146
Salaries and benefits	2,319,037	2,418,972	2,322,321
Supplies	79,594	91,864	96,036
Telephone and fax	32,967	38,546	33,026
Training	43,292	61,454	25,543
Travel	62,657	70,525	63,412
Utilities	13,500	9,319	10,415
	3,405,450	4,047,666	3,953,231
Annual deficit before transfers	(2,178,100)	(2,585,775)	(2,277,266)
Transfers between programs	2,491,388	3,584,783	(7,010,622)
Annual surplus (deficit)	313,288	999,008	(9,287,888)

Cowichan Tribes
Own Source Revenue

Schedule 4 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2016

	2016 Budget (Note 17)	2016	2015
Revenue			
Indigenous and Northern Affairs Canada	-	(100,000)	-
Province of BC - Forestry Agreement	64,383	772,600	864,800
Province of BC - Host Local Government	-	736,089	708,564
Province of BC - other	-	11,138	11,231
Tobacco tax	2,996,832	2,970,929	2,996,832
Community Improvement Fee	1,765,200	1,911,968	1,688,756
Investment income	703,000	464,796	659,856
Property tax	2,339,069	2,339,704	2,358,592
Rental, gravel and timber income	432,678	949,620	477,310
Other income	43,740	67,252	181,176
	8,344,902	10,124,096	9,947,117
Expenses			
Amortization	-	27,761	176,605
Bank charges and interest	100	156	261
Community development	340,241	198,574	243,524
Consulting	560,758	45,807	131,472
Contracted services	13,000	28,972	8,131
Honouraria	288,000	305,061	285,392
Insurance	7,500	14,103	9,863
Interest on long-term debt	134,537	119,350	123,966
Licenses and fees	-	28,385	-
Meeting	14,800	7,282	24,508
Office	17,000	29,389	22,377
Professional fees	660,000	1,172,212	639,790
Rent and lease	50,300	366,704	111,512
Repairs and maintenance	-	52,581	14,045
Salaries and benefits	14,378	42,312	110,986
Supplies	1,500	68,100	2,254
Telephone and fax	1,200	1,657	942
Training	-	-	129
Utilities	-	603	-
	2,103,314	2,509,009	1,905,757
Annual surplus before transfers	6,241,588	7,615,087	8,041,360
Transfers between programs	(4,078,551)	(7,293,968)	(4,972,032)
Annual surplus	2,163,037	321,119	3,069,328

Cowichan Tribes
Child and Family Services
Schedule 5 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2016

	2016 Budget (Note 17)	2016	2015
Revenue			
Indigenous and Northern Affairs Canada	1,886,478	2,137,788	2,031,298
Province of BC - other	2,123,922	2,250,043	2,406,951
Other income	-	34,549	245,300
	4,010,400	4,422,380	4,683,549
Expenses			
Amortization	-	92,185	77,546
Automotive	21,837	7,908	10,424
Community development	168,138	87,640	74,711
Consulting	51,054	90,628	23,589
Contracted services	1,373,210	1,505,778	1,630,832
Furniture and equipment	27,400	11,435	10,183
Honouraria	24,500	11,430	11,128
Insurance	17,265	17,396	16,500
Licenses and fees	10,450	603	383
Meeting	9,500	466	1,301
Office	37,000	13,346	72,284
Professional fees	18,200	676	999
Rent and lease	28,250	5,243	7,674
Repairs and maintenance	15,700	11,662	7,237
Salaries and benefits	2,192,793	2,096,922	2,443,990
Supplies	213,312	172,102	136,917
Telephone and fax	14,200	17,569	18,855
Training	62,500	8,006	19,199
Travel	61,000	68,143	45,384
Tuition and student expenses	28,700	7,378	584
Utilities	19,000	17,367	21,443
	4,394,009	4,243,883	4,631,163
Annual surplus before transfers	(383,609)	178,497	52,386
Transfers between programs	(130,634)	(106,582)	(235,811)
Annual surplus (deficit)	(514,243)	71,915	(183,425)

Cowichan Tribes
Education

Schedule 6 - Consolidated Schedule of Revenue and Expenses

For the year ended March 31, 2016

	2016 Budget (Note 17)	2016	2015
Revenue			
First Nations Health Authority	109,745	110,268	104,519
Indigenous and Northern Affairs Canada	7,138,911	10,884,313	11,060,457
Province of BC - other	688,408	573,832	602,076
Other agencies	192,126	357,043	341,573
Coast Salish Employment and Training Society	234,000	234,484	234,000
Other income	153,618	145,448	178,339
	8,516,808	12,305,388	12,520,964
Expenses			
Amortization	-	197,886	207,889
Community development	41,033	39,798	40,643
Consulting	30,000	52,727	22,203
Contracted services	39,333	49,312	49,811
Furniture and equipment	61,725	57,833	46,848
Honouraria	33,962	18,840	18,745
Insurance	40,953	41,395	38,687
Licenses and fees	3,059	1,420	1,774
Meeting	10,942	4,534	6,004
Office	37,150	37,156	36,697
Repairs and maintenance	105,000	121,334	125,671
Salaries and benefits	3,431,326	3,308,915	3,192,283
Social assistance	132,536	1,067,684	1,092,926
Supplies	257,558	252,354	293,695
Telephone and fax	27,015	16,823	18,253
Training	34,367	30,717	22,853
Travel	49,681	27,095	36,315
Tuition and student expenses	4,298,919	6,970,958	7,053,799
Utilities	49,242	49,711	47,026
	8,683,801	12,346,492	12,352,122
Annual surplus (deficit) before transfers	(166,993)	(41,104)	168,842
Transfers between programs	(231,981)	98,638	(203,656)
Annual surplus (deficit)	(398,974)	57,534	(34,814)

Cowichan Tribes
Jobs and Training

Schedule 7 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2016

	2016 Budget (Note 17)	2016	2015
Revenue			
Coast Salish Employment and Training Society	338,691	393,477	390,940
Other income	-	4,832	9,802
	338,691	398,309	400,742
Expenses			
Community development	3,054	3,067	3,055
Consulting	-	2,140	5,000
Furniture and equipment	-	9,170	-
Office	11,736	329	500
Salaries and benefits	404,258	372,476	245,906
Supplies	26,277	44,758	37,994
Telephone and fax	400	798	403
Training	81,484	109,383	121,345
Transfers to Nation business enterprises and partnerships	-	-	32,644
Travel	2,550	8,498	3,853
Tuition and student expenses	-	2,117	-
	529,759	552,736	450,700
Annual deficit before transfers	(191,068)	(154,427)	(49,958)
Transfers between programs	249,621	124,443	150,411
Annual surplus (deficit)	58,553	(29,984)	100,453

Cowichan Tribes
Lands and Fisheries

Schedule 8 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2016

	2016 Budget (Note 17)	2016	2015
Revenue			
Department of Fisheries and Oceans Canada	911,445	1,248,760	1,053,677
Indigenous and Northern Affairs Canada	134,209	362,337	243,000
Province of BC - other	35,500	57,000	35,500
Other agencies	38,861	205,172	123,645
Licence fees	592,000	306,459	915,674
Other income	320,071	383,720	237,911
Rental, gravel and timber income	884	142,849	23,474
	2,032,970	2,706,297	2,632,881
Expenses			
Amortization	-	103,121	58,227
Automotive	109,908	102,348	109,237
Community development	84,242	82,337	25,785
Consulting	35,000	140,540	80,663
Contracted services	314,641	288,275	411,647
Furniture and equipment	32,742	18,253	34,421
Honouraria	38,928	48,401	35,118
Insurance	32,779	30,179	35,810
Licenses and fees	4,125	4,958	4,155
Meeting	23,033	19,555	5,875
Office	118,688	108,374	29,432
Professional fees	251,538	70,198	46,616
Rent and lease	9,388	7,368	2,096
Repairs and maintenance	83,547	5,662	61,318
Salaries and benefits	1,378,307	1,432,440	1,402,866
Supplies	115,535	74,711	60,411
Telephone and fax	11,800	10,357	12,051
Training	39,405	39,009	35,839
Travel	22,264	22,909	22,137
Utilities	84,363	97,186	83,432
	2,790,233	2,706,181	2,557,136
Annual surplus (deficit) before transfers	(757,263)	116	75,745
Transfers between programs	(1,224,044)	773,081	922,759
Annual surplus (deficit)	(1,981,307)	773,197	998,504

Cowichan Tribes
Operations and Maintenance
Schedule 9 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2016

	2016 Budget (Note 17)	2016	2015
Revenue			
Indigenous and Northern Affairs Canada	464,068	501,689	449,600
Other income	9,500	36,828	30,252
Rent	33,100	21,857	15,811
	506,668	560,374	495,663
Expenses			
Amortization	-	509,446	442,065
Automotive	-	46,177	40,345
Community development	251,240	271,702	276,875
Furniture and equipment	28,660	9,863	8,535
Insurance	37,457	45,602	41,783
Office	6,500	8,689	6,981
Professional fees	2,000	-	-
Repairs and maintenance	660,835	713,050	756,191
Salaries and benefits	447,045	517,293	427,606
Supplies	4,850	9,557	7,336
Telephone and fax	4,796	6,044	7,205
Training	500	-	9,244
Travel	2,200	1,772	928
Utilities	82,341	76,816	71,769
	1,528,424	2,216,011	2,096,863
Annual deficit before transfers	(1,021,756)	(1,655,637)	(1,601,200)
Transfers between programs	1,266,496	1,302,381	1,156,373
Annual surplus (deficit)	244,740	(353,256)	(444,827)

Cowichan Tribes
Social Development

Schedule 10 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2016

	2016 Budget (Note 17)	2016	2015
Revenue			
Indigenous and Northern Affairs Canada	4,854,985	4,774,758	4,787,203
Investment income	3,000	1,375	1,474
Other income	5,901	78,951	-
	4,863,886	4,855,084	4,788,677
Expenses			
Amortization	-	17,109	25,300
Bank charges and interest	-	-	48
Community development	500	9,200	490
Contracted services	-	-	22,766
Honouraria	-	-	458
Meeting	428	652	546
Rent and lease	-	5,000	1,150
Salaries and benefits	381,980	390,563	400,487
Social assistance	4,665,140	4,317,726	4,529,891
Supplies	8,625	21,951	23,261
Telephone and fax	2,000	2,605	2,797
Training	-	19,206	17,872
Travel	6,304	12,544	11,118
Tuition and student expenses	2,400	1,690	2,387
	5,067,377	4,798,246	5,038,571
Annual surplus (deficit) before transfers	(203,491)	56,838	(249,894)
Transfers between programs	251,845	440,826	170,566
Annual surplus (deficit)	48,354	497,664	(79,328)

Cowichan Tribes
Social Development - NCBR
Schedule 11 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2016

	2016 Budget (Note 17)	2016	2015
Revenue			
Indigenous and Northern Affairs Canada	451,175	451,175	434,274
Other income	6,782	7,717	5,217
	457,957	458,892	439,491
Expenses			
Rent and lease	1,000	5,240	-
Salaries and benefits	113,943	66,803	44,356
Supplies	28,500	41,557	40,867
Telephone and fax	300	-	50
Training	32,107	24,198	24,807
Travel	3,693	-	657
Tuition and student expenses	500	643	310
	180,043	138,441	111,047
Annual surplus before transfers	277,914	320,451	328,444
Transfers between programs	(307,988)	(451,175)	(341,623)
Annual deficit	(30,074)	(130,724)	(13,179)

Cowichan Tribes
Housing

Schedule 12 - Consolidated Schedule of Revenue and Expenses

For the year ended March 31, 2016

	2016 Budget (Note 17)	2016	2015
Revenue			
Canada Mortgage and Housing Corporation	65,329	415,647	434,815
Indigenous and Northern Affairs Canada	288,054	1,402,904	2,435,829
Investment income	6,467	7,636	9,351
Other income	454,000	13,079	8,416
Rent	791,945	1,076,073	1,185,503
	1,605,795	2,915,339	4,073,914
Expenses			
Amortization	-	802,190	728,691
Automotive	53,742	40,519	19,635
Community development	147,649	34,790	17,172
Consulting	447,666	324,936	43,796
Contracted services	-	221	87,653
Furniture and equipment	668,902	61,510	40,125
Honouraria	11,000	6,900	5,700
Insurance	125,428	164,196	199,243
Interest on long-term debt	-	136,466	378,214
Licenses and fees	21,000	-	-
Meeting	6,500	525	217
Office	64,042	63,356	60,807
Professional fees	20,113	12,131	14,369
Repairs and maintenance	962,689	608,292	518,009
Salaries and benefits	528,776	816,378	692,477
Supplies	25,008	18,553	15,961
Telephone and fax	11,417	12,543	11,273
Training	10,500	10,923	5,690
Travel	6,500	11,066	3,895
Utilities	3,000	-	-
	3,113,932	3,125,495	2,842,927
Annual surplus (deficit) before transfers	(1,508,137)	(210,156)	1,230,987
Transfers between programs	904,724	1,123,868	9,821,408
Annual surplus (deficit)	(603,413)	913,712	11,052,395

**Cowichan Tribes
Youth**

Schedule 13 - Consolidated Schedule of Revenue and Expenses

For the year ended March 31, 2016

	2016 Budget (Note 17)	2016	2015
Revenue			
Other agencies	-	97	6,759
Other income	-	15,000	1,851
	-	15,097	8,610
Expenses			
Amortization	-	5,318	-
Automotive	500	3,127	314
Community development	263,143	171,784	176,748
Consulting	25,000	-	1,251
Furniture and equipment	2,000	10,314	-
Honouraria	19,500	8,523	9,244
Insurance	3,200	2,866	2,954
Meeting	10,251	1,100	470
Office	20,200	3,820	2,551
Professional fees	10,000	-	-
Rent and lease	750	480	240
Repairs and maintenance	25,600	530	397
Salaries and benefits	254,882	216,288	226,598
Supplies	26,507	15,611	26,635
Telephone and fax	6,417	4,238	4,101
Training	22,000	2,119	573
Travel	7,750	560	45,030
Tuition and student expenses	8,000	2,312	4,342
Utilities	1,700	2,698	2,794
	707,400	451,688	504,242
Annual deficit before transfers	(707,400)	(436,591)	(495,632)
Transfers between programs	484,901	370,987	377,927
Annual deficit	(222,499)	(65,604)	(117,705)

Cowichan Tribes
Treaty Negotiations
Schedule 14 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2016

	2016 Budget (Note 17)	2016	2015
Revenue			
Other agencies - Hul'qumi'num Treaty Group	532,000	531,999	532,000
Other income - Trans Mountain Pipeline	-	108,219	101,781
	532,000	640,218	633,781
Expenses			
Community development	1,800	1,448	1,213
Contracted services	56,200	30,405	29,225
Furniture and equipment	2,500	1,175	9,371
Honouraria	78,900	44,627	51,760
Meeting	26,730	11,653	16,940
Professional fees	58,800	151,586	206,740
Salaries and benefits	252,657	243,338	258,907
Supplies	9,500	6,877	7,440
Telephone and fax	1,000	615	582
Training	3,000	1,065	100
Travel	5,000	3,298	2,291
	496,087	496,087	584,569
Annual surplus before transfers	35,913	144,131	49,212
Transfers between programs	(35,913)	(128,861)	(11,318)
Annual surplus	-	15,270	37,894

Cowichan Tribes
Health

Schedule 15 - Consolidated Schedule of Revenue and Expenses

For the year ended March 31, 2016

	2016 Budget (Note 17)	2016	2015
Revenue			
First Nations Health Authority	4,829,636	5,174,156	4,640,002
Indigenous and Northern Affairs Canada	331,975	331,975	332,099
Other income	120,495	163,600	287,180
Other agencies	115,243	146,049	184,480
	5,397,349	5,815,780	5,443,761
Expenses			
Amortization	-	55,920	55,170
Automotive	51,695	36,292	39,449
Bank charges and interest	36	33	36
Community development	102,979	104,380	60,055
Consulting	69,397	65,893	305,771
Contracted services	164,581	439,905	247,360
Furniture and equipment	97,321	96,292	109,470
Honouraria	46,469	41,225	41,308
Insurance	133,512	136,263	161,555
Licenses and fees	18,388	24,660	33,298
Meeting	6,200	3,927	23,660
Office	11,500	13,266	13,875
Professional fees	6,500	-	-
Rent and lease	26,324	20,034	20,994
Repairs and maintenance	49,356	36,708	39,035
Salaries and benefits	4,422,141	3,633,801	3,505,398
Social assistance	43,000	44,359	52,549
Supplies	353,615	329,923	341,643
Telephone and fax	40,429	52,107	45,706
Training	153,044	74,850	98,327
Travel	110,584	142,940	115,543
Tuition and student expenses	-	-	3,100
Utilities	27,000	27,977	32,119
	5,934,071	5,380,755	5,345,421
Annual surplus (deficit) before transfers	(536,722)	435,025	98,340
Transfers between programs	113,136	54,580	128,617
Annual surplus (deficit)	(423,586)	489,605	226,957

Cowichan Tribes
Economic Development
Schedule 16 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2016

	2016 Budget (Note 17)	2016	2015
Revenue			
Indigenous and Northern Affairs Canada	222,112	297,112	297,887
Earnings (loss) from investment in Nation business enterprises and partnerships	-	(1,161,293)	1,454,090
Quw'utsun Cultural and Conference Centre	-	308,212	392,224
	222,112	(555,969)	2,144,201
Expenses			
Amortization	-	79,565	94,306
Bank charges and interest	-	15,355	15,433
Consulting	-	18,503	17,830
Insurance	-	9,563	15,519
Office	-	21,551	22,859
Professional fees	-	12,626	29,044
Repairs and maintenance	-	86,351	76,644
Salaries and benefits	-	101,639	135,348
Supplies	-	176,582	187,595
Transfers to Nation business enterprises and partnerships	269,112	416,112	416,887
Utilities	-	4,970	5,866
	269,112	942,817	1,017,331
Annual surplus (deficit) before transfers	(47,000)	(1,498,786)	1,126,870
Transfers between programs	47,000	107,000	47,000
Annual surplus (deficit)	-	(1,391,786)	1,173,870

Richard George - Fwd: Digital FS 2016

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